

## **PLAN IMPLEMENTATION**

203. To implement a plan at Jacksonville Harbor, certain conditions and requirements are necessary to meet State, Local, and Federal standards set by law. A discussion of those responsibilities is in the subsequent paragraphs. In December 2001, a meeting with the sponsor in Jacksonville, Florida occurred to explain the sponsor's cost sharing requirements and related responsibilities. Further coordination occurred at the Alternative Formulation Briefing held in the District office on April 24, 2002. The sponsor understands both areas of accountability.

## **STATE REQUIREMENTS**

204. The Florida Department of Environmental Protection (DEP) reviews all proposed Federal projects in wetlands and water areas to determine whether State Water Quality

Certification will be issued for such work. The U.S. Army Corps of Engineers will request that certification as soon as suitable plans and specifications are available for submission to DEP.

## **COST SHARING**

205. Under the Water Resources Development Act (WRDA) 1986, as amended by Section 201 of WRDA 1996, Federal participation in navigation projects is limited to sharing costs for design and construction of the general navigation features (GNF) consisting of breakwaters and jetties, entrance and primary access channels, widened channels, turning basins, anchorage areas, locks, and dredged material disposal areas with retaining dikes. Non-federal interest are responsible for and bear all costs for acquisition of necessary lands, easements, rights-of-way and relocations; terminal facilities; and dredging berthing areas and interior access channels to those berthing areas.

206. Section 101 of WRDA 1986 requires the project sponsor to bear a percentage share of harbor construction costs for project components that are cost-shared (general navigation features, mitigation) that varies according to the range of water depths where the work is done. That variable cost share is paid during construction.

207. For a commercial navigation project with project depths greater than 20 feet but not in excess of 45 feet, the Non-Federal share for construction is 35 percent (25% during construction and 10% on completion of construction or over time with interest up to 30 years). Credit against that 10 percent contribution is allowed for the value of lands, easements, rights-of-way, and relocations provided by the project sponsor as LERR. Maintenance of the general navigation features including mitigation is 100 percent Federal.

208. Based on WRDA 1986, the cost sharing for the recommended plan is a 25 percent cash contribution paid during construction. Also, Section 101 requires the sponsor to pay an additional 10 percent of the construction costs that are cost shared, on completion of construction or over time with interest, up to 30 years. Credit against this 10 percent contribution is allowed for the value of lands, easements, rights-of-way, and relocations provided by the project sponsor as LERR.

209. Lands, Easements, Rights-of-Way, and Relocations, (LERR) are 100 percent Non-Federal. Operation and maintenance of the general navigation features with a 100 percent commercial vessel navigation project are a 100 percent Federal responsibility. The following table 22 summarizes the cost sharing percentages.

Table 21			
Cost Sharing Percentages			
Item	Federal Share(s)	Sponsor Share(s) <sup>1/</sup>	Total(s)
Initial Project Construction			
Comm'l Navigation	65%	35%	100%
Aids to Navigation	100%	0%	100%
Service Facilities	0%	100%	100%
LERRD	0%	100%	100%
Operation and Maintenance			
Comm'l Navigation	100%	0%	100%
Aids to Navigation	100%	0%	100%
Service Facilities	0%	100%	100%
Disposal Areas	100%	0%	100%

<sup>1/</sup> The sponsor pays 10 percent of the construction costs (35%) that are cost shared, on completion of construction or over time with interest, up to 30 years. That 10 percent post-construction cost contribution is reduced by the credit amount for LERR.

210. The cost shared amount is derived from the total first cost of construction \$15,962,000 found in table 18. That cost does not include the navigation aids relocated by the USCG (which according to USCG letter dated 31 Oct 01 does not result in additional costs). The cost shared amount of \$13,975,000 on the NED 40-foot plan is determined as follows:

<b>Total First Cost of NED Plan</b>	<b>\$ 15,962,000</b>
Less: Navigation Aids (USCG)	\$ (0)
RE Land Certification (Sponsor)	\$ (13,000)
Berthing Area Dredging (Sponsor)	\$ (1,124,000)
Chevron Bulkhead Mods <sup>17</sup>	\$ (850,000)
Mitigation (Sponsor)	\$ (0)
<b>Cost Shared Amount</b>	<b>\$ 13,975,000</b>

On the NED plan the allowable amounts for cost sharing are shown in table 23.

<sup>17</sup> A 10 Jun 02 email message relating to the Chevron USA terminal operator indicates the bulkhead modifications are budgeted for 2004.

Table 22

## PRELIMINARY COMBINED FEDERAL /NON-FEDERAL COST SHARING SUMMARY TABLE

## RECOMMENDED NED PLAN 3A (40-Foot Project Depth)

Item	Total		Federal Share		Non-Federal Share					
	A + B + C		A		B+C		B		C	
	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
<b>NED Plan 3A 40-Foot Cost Sharing</b>										
Construction Cost of NED Plan										
Commercial General Navigation Features (GNF)	100%	\$13,975,000	65%	\$9,084,000	35%	\$4,891,000	25%	\$3,494,000	10%	\$1,397,000
RE Land Certification (Sponsor)				\$13,000		(\$13,000)				(\$13,000)
Subtotal		\$13,975,000		\$9,097,000		\$4,878,000		\$3,494,000		\$1,384,000
Cost of Other Work										
RE Land Certification (Sponsor)	100%	\$13,000	0%	\$0	100%	\$13,000	0%	\$0	100%	\$13,000
Service Facilities Berth'g Area Dredg'g (Sponsor)	100%	\$1,124,000	0%	\$0	100%	\$1,124,000	100%	\$1,124,000	0%	\$0
Service Facilities Chevron USA Bulkhead Mod	100%	\$850,000	0%		100%	\$850,000	100%	\$850,000	0%	
Aids to Navigation (USCG)	100%	\$0	100%	\$0	0%	\$0	0%	\$0	0%	\$0
Mitigation (Sponsor)	100%	\$0	65%	\$0	35%	\$0	35%	\$0	0%	\$0
Total		\$15,962,000		\$9,097,000		\$6,865,000		\$5,468,000		\$1,397,000

211. As shown in table 23 project costs are allocated to the commercial navigation project purpose. Federal participation in the cost of implementing the project proposal is limited to the Federal share of the cost of the NED plan. Based on October 2001 prices, the estimated cost of the general navigation features (GNF) of the NED plan is \$13, 975,000. The cost of GNF includes channel dredging and dredged material disposal. Recent construction at the existing Bartram Island dredged material disposal facility has provided capacity for the new work dredging. Apportionment of the cost of the GNF is in accordance with Section 101 of the Water Resource Development Act (WRDA) of 1986, as amended by Section 201 of WRDA 1996.

212. The Federal and non-Federal shares of the GNF are estimated to be \$9,097,000 and \$4,878,000, respectively. The non-Federal portion includes a repayment of 10 percent of the cost to construct the GNF, less allowable credits for the values of lands, easements, rights-of-way and relocations (LERR) necessary for the Federal project. That amount is currently estimated at \$1,397,000, which may be paid with interest over a period not to exceed 30 years. The non-Federal interests would also be responsible for all the berthing areas and associated disposal area capacity. Total estimated costs for local service facilities are \$1,974,000 (\$1,124,000 + \$850,000). Total estimated costs for all features necessary to obtain the projected navigation benefits, including GNF, LERR, and local service facilities are estimated to be \$15,962,000. Of that amount \$9,097,000 would be Federal and \$6,865,000 would be non-Federal.

213. Equivalent annual benefits and costs, based on a discount rate of 6.125 percent and a 50-year period of economic evaluation, are estimated as \$1,995,000 and \$1,184,000, respectively. Equivalent annual net benefits amount to \$811,000. The benefit to cost ratio is 1.7 to 1.